

MLC Premium Model Portfolios

Portfolio changes

Effective date: 27 August 2024

We continually review the model portfolios to ensure they remain appropriately structured to meet their objectives and are well-positioned for the future market environment. These updates provide investment rationale for adding a new holding, removing an entire holding, or making a significant change to a Model Portfolio. Details of Portfolio re-weightings or re-balances occur normally in the course of managing the Portfolio and are included in our portfolio updates.

What changes have we made?

Increase	Portfolio change	Rationale
Westpac Banking Corp (WBC)	High Growth 98: +0.55%	We have initiated a new position in Westpac (WBC). Banks have reported solid recent results and capital levels as asset quality remains benign. While viewing WBC as amongst the lowest quality of the major banks, we have managed our 'Banking super-sector' weight by holding the other three major banks. We still view the banks sector as being fully-valued and vulnerable to de-rating should asset quality concerns or longer-term funding costs rise; both of which we believe will eventually need to play out. However, our direction and quality lenses see us incrementally narrow this 'Banking super-sector' underweight exposure.
	Growth 85: +0.50%	
	Balanced 70: +0.40%	
	Moderate 50: +0.40%	
	Conservative 30: +0.35%	
CSL Ltd (CSL)	High Growth 98: +0.35%	We have rebalanced the position to realign the holdings within the Direct ASX equity portfolio.
	Growth 85: +0.25%	
	Balanced 70: +0.40%	
Macquarie Group Ltd (MQG)	Moderate 50: +0.30%	We have rebalanced the position to realign the holdings within the Direct ASX equity portfolio.
Reduction	Portfolio change	Rationale
Worley Ltd (WOR)	High Growth 98: -0.65%	We have exited our position in Worley Ltd (WOR). WOR has drifted lower in recent months after we added it to the portfolio. Our analyst retains a long-term positive view of top-line growth, as de-carbonisation and the energy transition drive revenue, however has become more concerned on the delivery timeframe. This has been borne out in a recent deterioration in our 'direction' and 'quality' measures that leave a less compelling 'Factor Neutral Sector Neutral' signal. We note that despite WOR being classified as a GICS industrial, it has strong correlation with contracting/oil, where we collectively do retain a positive energy exposure via other names in the Direct ASX equity strategy.
	Growth 85: -0.50%	
	Balanced 70: -0.55%	
	Moderate 50: -0.40%	
	Conservative 30: -0.35%	
JB Hi-Fi Ltd (JBH)	High Growth 98: -0.25%	We have rebalanced the position to realign the holdings within the Direct ASX equity strategy.
Woodside Energy Group Ltd (WDS)	Growth 85: -0.25%	We have rebalanced the position to realign the holdings within the Direct ASX equity strategy.
Commonwealth Bank of Australia (CBA)	Balanced 70: -0.25%	We have rebalanced the position to realign the holdings within the Direct ASX equity strategy.
	Moderate 50: -0.30%	We have rebalanced the position to realign the holdings within the Direct ASX equity strategy.

The approximate portfolio change amount is not a guarantee of a change to a client's portfolio. There may be differences between the Model Portfolio and a client's portfolio due to the timing and transaction prices for portfolio changes, client investments and withdrawals during the period, timing of receipt of dividends and income distributions, platform administration fees, transactional costs associated with the client's portfolio, and any portfolio exclusions required by the client.

Important Information

Portfolio changes outlined in this document are expected to be implemented by the client's platform, in due course.

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